1934-39 **File No.** 3766/36

B CLASS T.W. **DEPARTMENT** & **BRANCH**

Subject:— Trade Commissioners.
Utilization of services of -

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File No. 3766/36-E

Ltd. Scott. Slip. 24 A.

G.R., G.D., No. 2408, dated 22-6-22.]

Correspondence

DOCKET SHEET

Subject :—

File No. 3766/36

P. W. DEPT.

8 BRANCH.

References :—

Date	To whom sent.	Notes and instructions.

Indian Trade Commissioners:
Utilisation of services of -

Government of Bombay.
Finance Department.
Resolution No. 8248.
Bombay Castle, 27th October 1934.

Letter from the Government of India, Department of Commerce No. 53/C-53-C(2)/33 dated 10th August 1934:-

"I am directed to invite attention to the following conclusions of the Fifth Industries Conference held in Simla in July 1933 on the subject of "Utilisation of the services of Trade Commissioners":-

(1) In the instructions to Trade Commissioners it should be made clear that the reference to local Governments and Indian States includes the Heads of Departments of such Governments and States.

(2) It is desirable that Directors of Industries should have information of replies sent by the Director General of Commercial Intelligence and Statistics to enquirors in the Provinces and States."

"2. As regards (1), I am to forward a copy* of the Instructions to Indian Trade Commissioners, as amended from time to time. The relevant portions of these instructions to which an alteration was proposed by the Conference are paragraphs 2(c) and 18 thereof. I am to explain that the words "local Governments" and "Indian States" in the paragraphs mentioned above are intended to cover the heads of departments of the local Governments and Indian States. The High Commissioner for India and the Indian Trade Commissioner, Hamburg, who were consulted in the matter are of opinion that the position is well understood generally and as a matter of fact the Directors of Industries and of Agriculture and also the heads of Forest Departments, both in the Provinces---

*Typed as accompaniment to this resolution.

Provinces and Indian States have in the past not hesitated to communicate directly with the Indian Trade Commissioners in London and Hamburg. In the circumstances, the Government of India do not consider it necessary to make any alteration in the text of the Instructions on the subject.

3. As regards (2), the Government of India have decided that the Director General of Commercial Intelligence and Statistics should pass on the Provincial Directors of Industries copies of replies sent to enquiries of an industrial or technical nature of such other general information that may concern them. The Director General will, however, reserve to himself the discretion to decide what sort of information would be useful to the Directors of Industries."

RESOLUTION:- Copies of the letter from the Government of India together with its accompaniment should be forwarded to the officers concerned for information and guidance.

By order of the Governor in Council,
Sd/- C.B.B.Clee,
Dy. Secy. to Government.

To

The Private Secy. to His Excellency the Governor,
The Commissioner in Sind,
The Commissioners of Divisions,
The Chief Conservator of Forests,
The Director of Agriculture,
The Director of Industries,
The General Department,
The Revenue Department.

P.K.M.

Accompaniment to Government Resolution, Finance Department, No. 8248, dated 27th October 1934.

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Instructions to Indian Trade Commissioners.

1. For disciplinary and administrative purposes the Trade Commissioners in Europe and an American are under the control of the High Commissioner for India in the United Kingdom and the Trade Commissioners in America under that of the Director General of Commercial Intelligence and Statistics. The High Commissioner's supervision and control over the work of Trade Commissioners on the Continent of Europe and in America will be exercised through the Trade Commissioner in London.

2. The Principle duties of a Trade Commissioner are:-

(a) to answer trade enquiries which are directed to the development of markets for Indian Goods in the area for which he is responsible;

(b) to compile an index of firms of good standing in his area dealing in goods such as India produces or is capable of producing for export;

(c) to furnish commercial information directed to the development of India export trade required by departments of the Government of India or by local Governments, by Indian States, by the High Commissioner for India or by the Director General of Commercial Intelligence and Statistics;

(d) to report spontaneously to the Director General of Commercial Intelligence and Statistics and local developments, official or unofficial, likely to affect Indian trade;

(e) to visit local firms and represent to them the means of securing Indian goods suitable to their requirements;

Note 1.---

Note 1.- Copies of enquiries and of the replies to them referred to in clause (c) should be furnished by all Trade Commissioners to the Director General of Commercial Intellig gence and Statistics and by Trade Commissioners in Europe and America also to the High Commissioner for India.

Note 2. - Copies of all reports referred to in clause (d) made by Trade Commissioners in Europe and America should be furnished to the High Commissioner for India.

(f) to test the local markets for Indian goods by means of trial consignments if so desired;

(g) to assist, by means of letters of introduction and advice, visitors to his area engaged in the development of Indian export trade;

(h) to take such steps as are possible to settle trade disputes arising in his area involving claims by merchants in India;

(i) to maintain a library of Indian trade publications available for consultation by interested local enquirers;

(j) to organise exhibits of Indian goods at local exhibition or fairs on lines approved, and within the scope of funds allotted for the purpose, by the High Commissioner or by the Director General of Commercial Intelligence and Statistics, as the case may be; and

(k) to represent the possibilities of Indian trade by means of lectures, the display of ~~fix~~ films and other suitable methods.

3. These duties do not include any services of a diplomatic character and are strictly confined to promoting the sale of Indian Goods.

4. The Trade Commissioner should refuse all invitations to take part in political movements of any kind. He should contribute no articles to the Press unless ~~x~~ such articles have been seen and approved by the High Commissioner or the Direc-

Director General of Commercial Intelligence and Statistics, as the case may be.

5. He should keep in tough with His Majesty's commercial officers (Trade Commissioners, Commercial Counsellors, Commercial Secretaries or Consular Officers of the British Government or Trade Commissioners of Dominion Governments) stationed as trade centres in the area for which he is responsible.

6. He should also be in touch with local Chambers of Commerce and Trade Associations; with firms and banks interested in the import trade in Indian goods or in goods similar to those which India produces; and with officers of the Customs and Commercial Intelligence Departments of the Governments to which they are accredited.

7. Enquiries from local firms fegarding Indian markets for local goods should be referred back to be addressed to the foreign consular representative concerned in India. As an exception to the above principle, Indian firms residing within the area for which the Trade Commissioner is fesponsible- as well as the Indian firms applying from India-should be given all possible assistance in the matter either or imports from ~~the~~ or exports to India, provided that the exports to India are not such as to compete with Indian goods.

8. Complaints in regard to the assessment of local goods by Indian customs authorities on importation into India should be referred back for submission to the foreign consular representative concerned in India.

9. Compdaints of a general character received from local firms relating to the quality, price or suitability of Indian goods should be investigated. Whek, ---

When, however, such complaints relate to the details of a contract with a firm in India the complainant firm should be referred to its consular representative in India, except only in the case of complaints against firms which the Trade Commissioner has himself introduced to the enquirer. These should be referred for enquiry and report to the Director General of Commercial Intelligence and Statistics and since the introduction will have been made on the recommendation of the Director General or on information contained in the Directory of Exporters.

10. While observing the general principles laid down in paragraphs 7, 8 and 9 above, discretion is allowed to a Trade Commissioner serving in a country which has no consular representative in India.

11. In effecting trade introductions it is the duty of the Trade Commissioner to encourage direct in preference to indirect imports from India unless, as may exceptionally be the case, the latter method is clearly the more advantageous to the Indian exporters.

12. Firms and persons in the area for which he is responsible should be encouraged to address enquiries for trade information about India to the Trade Commissioner. Firms and persons in India should address enquiries relating to foreign markets to the Director General of Commercial Intelligence and Statistics. Inquiries received by a trade Commissioner direct from persons, firms or commercial bodies in India need not, however, be referred back but should be answered through the Director General of Commercial Intelligence and Statistics. In replying to enquiries of this character the Trade Commissioner will ordinarily furnish only such information as he is able to

obtain ---

to obtain from published sources. If the required information is no so obtainable the Trade Commissioner should be careful to avoid any action which might give rise to a change of commercial espionage or which might in any way embarass his relations with the authorities or firms from which required informations to be obtained. Having regard to these considerations he should use his discretion whether to make an enquiry and, if he makes an enquiry, whether to communicate the information so obtained. The reasons for his action in either event should be communicated by him to the Director General of Commercial Interlligence and Statistics in reporting on the enquiry .

13. Trade Commissioners should remember in response to a local enquiry for introductions to firms in India it is not sufficient merely to give the enquirer a list of firms handling the goods in which he is interested, but that it is desirable, where possible, to enqure that any Indian firms recommended are prepared to interest themselves in the specific enquiry.

The procedure should therefore be as follows: If, to save time, a list of Indian firms is sent to the enquirer, a warning should at the same time be given that the Trade Commissioner has not been able to ascertain whether the firms named in the list are prepared to take up the enquiry; and it should be added that the Director General of Commercial Intelligence and Statistics is being asked to verify this point and that the information will be forwarded on receipt. The Director General of Commercial Intelligence and Statistics should then be informed of the name and address of the enquir-

enquirer --

enquirer, of his general standing and methods of business and of the particular class of goods which he requires and he should be asked to send for communication to the enquirer the names of firms in India prepared to take up the enquiry. The Director General of Commercial Intelligence and Statistics will then communicate full particulars of the enquirer omitting only such particulars as have been given in confidence to exporters in India likely to be interested. He will invite the selected exporters to communicate their offers of business direct to the enquirer, and to inform him (the Director General) if they are doing so. The names of exporters who have responded to the enquiry will then be intimated to the Trade Commissioner concerned for communication to the enquirer with any supplementary information likely to be useful to the latter.

14. Similarly, when the Director General of Commercial Intelligence and Statisca receives an enquiry from a firm in India for instructions to firms abroad importing the class of goods which it exports, he should furnish in reply such names as are available in his office with the intimation that these and any other suitable importers in the country or countries in question will be approached by the Trade Commissioner concerned and a further communication made to the enquirer if additional assistance proves possible.

15. Trade Commissioners should endeavour to ascertain from local firms the results of trade introductions to firms in India which they have received. Such enquiries should be made tactfully, at a suitable interval after the introduction has been made. Any results ascertained should be reported to the Director General of Commercial Intelligence and Statistics. Similarly, the Director General should from time to time verify--

verify the results of introductions of Indian exporters to foreign importers, for report to the Trade Commissioner concerned.

16. General trade information about India required by local firms will be supplied direct by the Trade Commissioner so far as it is available in his office and any further information required but not readily available will be obtained from the Director General of Commercial Intelligence and Statistics for communication to the enquirer. The Director General will similarly pass on to enquirers in Indian trade information regarding foreign countries which is available in his office, and will at the same time ask the Trade Commissioner concerned, at his discretion to verify or supplement this information.

17. Any enquiries received by the Director General of Commercial Intelligence and Statistics direct from foreign firms should be answered through the Trade Commissioner concerned. Any enquiry which a Trade Commissioner may receive direct from a firm in India should be answered through the Director General.

18. Enquiries received by a Trade Commissioner from a Department of the Government of India or from a local Government in India or from an Indian State should be answered direct, but a copy of the reply (and if necessaryn a copy of the enquiry) should be forwarded at the same time to the Director General of Commercial Intelligence and Statistics for his information. Such replies should be strictly limited to matters of trade intelligence and should not extend to discussions on the financial, fiscal or economic policy of the Government of India.

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19. Trade Commissioners should not address foreign Governments or their officials on questions of policy without prior reference to the Government of India through the High Commissioner for India or the Director General of Commercial Intelligence and Statistics, as the case may be .

20. All Trade Commissioners should write weekly demi-official letters to the Director General of Commercial Intelligence and Statistics dealing with commercial facts of interest which have come to their notice during the week, and Trade Commissioners in Europe and America should send duplicates of their letters to the High Commissioner. The Director General will communicate demi-officially to the Secretary to the Government of India in the Commerce Department any information received by him from a Trade x Commissioner which is likely to be of interest to the Government of India, and will send to the High Commissioner a copy of those portions of his letter which relate to Africa.

21. Trade Commissioners may be called upon to prepare special reports on trade subjects by the Government of India, by a local Government in India, by an Indian State through the Government of India or by the Director General of Commercial Intelligence and Statistics. Trade Commissioners in Europe and America may be called upon for such reports by the High Commissioner for India. Such reports should be submitted direct to the authority which called for them, and a copy should at the same time be sent to the High Commissioner (for Europe and America) and to the Director General (for all areas).

22. Trade Commissioners should prepare on their own intiative once a quarter special reports on local questions of importance to Indian Trade for submission to the Director General of Commercial Intelligence and Statistics, Trade

Commrs. ---

Commissioners in Europe and America, submitting copies of such reports simultaneously to the High Commissioner for India.

23. It will be understood -

(a) that the Director General of Commercial Intelligence and Statistics is authorised, at his discretion, to forward a copy of any special report, which is not marked confidential in the office from which it originated, to any authority, or individual in India;

(b) that, while the distribution of such a report is not a function of the Trade Commissioner preparing it, he may always suggest to the Director General of Commercial Intelligence and Statistics the name of any authority of individual to whom, in his opinion, a copy should be sent;

(c) that the Director General of Commercial Intelligence and Statistics is authorised, at his discretion, to publish any special (non-confidential) report in the Indian Trade Journal, bearing in mind the possible desirability of giving any private party from whom the enquiry originated a reasonable period of time in which to take full advantage of the information obtained for him before making such information public property.

24. Each Trade Commissioner is required to prepare an annual report describing and commenting on Indian Trade developments in the area for which he is responsible and including a summary of the work of his office. Trade Commissioners in Europe will submit copies of their reports in proof or typescript, as may be directed, to the High Commissioner, who, after approval, will transmit the reports in point to the Secretary to the Government of India in the Department of Commerce and to the

Director---

Director General of Commercial Intelligence and Statistics. The date on which the report may be released for publication will be decided by the Government of India and communicated through the High Commissioner to the Trade Commissioner concerned.

25. A Trade Commissioner communicating an enquiry or a reply to an enquiry direct to the Deputy Director of Commercial Intelligence at Bombay should at the same time send a copy of his communication to the Director General of Commercial Intelligence and Statistics.

26. Trade Commissioners should collect and record the fullest possible information regarding the standing and activities of local firms interested in the classes of goods which India produces. For this purpose they should not merely rely on the results of personal visits; but should also request firms interested to fill in and return the questionnaire (Appendix A). From the materials thus obtained a register of such firms should be maintained in the prescribed form (Appendix B). A duplicate of each sheet of this register should be sent to the Director General of Commercial Intelligence and Statistics. It should also be possible for each Trade Commissioner to compile gradually, from these materials, a Director of Foreign Importers on lines similar to the Director on lines similar to the Director of Indian Exporters.

27. Similarly the Director General of Commercial Intelligence and Statistics will issue a questionnaire (Appendix C) to firms in India and will from the replies compile a register of Indian exporters in the prescribed form (Appendix D). A copy of each sheet of this register will be sent to each Trade Commissioner. The Director General will also send monthly to each Trade Commissioner correction slips bringing up to date the entries in the Director of Exporters pending the issue of each fresh edition of the Directory.

Appendix A

Questionnaire.

1. Name and Address.
2. Cable address.
3. Codes used.
4. Bankers.
5. Local Branches.
6. Foreign branches.
7. Foreign connections.
8. Classes of goods imported.
9. From (countries)
10. As buyer or agent?
11. Usual terms of business.
12. Requirements in or from India.

Appendix B.

Foreign Register,

1. Name and address.
2. Cable address
3. Codes used
4. Bankers.
5. Local Branches.
6. Foregin branches.
7. Foreign connections.
8. Classes of goods imported.
9. From (countries)
10. As buyer or agent?
11. Usual terms of business.
12. Requirements in or from India.
13. Rating.
14. Remarks.

Appendix C.

Questionnaire.

1. Name and address.
2. Cable address.
3. Codes used.
4. Bankers.
5. Local Branches.
6. Foreign branches.
7. Foreign connections.
8. Classes of goods exported.
9. To(countries).
10. Direct or by agents?
11. Usual terms of business.
12. Requirements in foreign countries.

Appendix D.

Indian Register.

1. Name and address.
2. Cable address.
3. Codes used.
4. Bankers.
5. Local branches.
6. Foreign branches.
7. Foreign connections.
8. Classes of goods exported.
9. To (countries)
10. Direct or by agents?
11. Usual terms of business.
12. Requirements in foreign countries.
13. Rating.
14. Remarks.

Trade Commissioners:

Utilization of service of -

Government of Bombay.
Finance Department.
Resolution No.8248.
Bombay Castle, 11th July 1939.

Letter No. 34/C(2)/39 dated 14th June 1939 from the Government of India, Department of Commerce, forwarding a copy of the following letter bearing the same number and date xxxxxx and addressed to the High Commissioner for India and to the Director General of Commercial Intelligence and Statistics:-

"With reference to the discussions at the Tenth Industries Conference held on the 24th January 1939, relating to the question of the utilization of the Services of Indian Trade Commissioners in foreign countries, I am directed to forward, for information, a copy of this Department letter No. 34/ C(2)/39, dated the 14th June 1939, addressed to the High Commissioner for India and the Director General of Commercial Intelligence and Statistics on the subject."

Resolution:- Copies of the letter from the Government of India should be forwarded to the officers and Departments concerned for information.

By order of the Governor of Bombay,
J.C.Bolton,
Deputy Secretary to Government.

To

The Secy. to the Governor,
The Commissioners of Divisions,
The Chief Conservator of Forests,
The Director of Agriculture,
The Director of Industries,
The General Department,
The Revenue Department,
The P.W.Department (with a copy of Govt. Reso.No.8248/ dated 27th October 1934 and its accompaniment).

*Typed as an accompaniment to this Resolution.

Accompaniment to Government Resolution, Finance Department, No. 8248 dated 11th July 1939.

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No. 34-C(2)/39.
Government of India.
Department of Commerce.
Simla, the 14th June 1939.

From

Y. M. Sukthankar, Esquire, I.C.S.,
Joint Secy. to the Government of India.

To

(1) The High Commissioner for India,
Trade Department,
India House, Aldwych, London, W.C.2.

(2) The Director General of Commercial Intelligence and Statistics,
1, Council House Street, Calcutta.

Sir,

I am directed to invite a reference to the proceedings of the Tenth Industries Conference held on the 24th January 1939, relating to the question of the utilisation of the services of the Indian Trade Commissioners. It will be observed that the Honourable Member for Commerce who presided over the Conference promised that the Government of India would look into the matter with a view to see if it was necessary to issue any further instructions or to draw the attention of the Indian Trade Commissioners with regard to the matters that had arisen. The Government of India have since examined the matter and I am to communicate their views below for the guidance of the Trade Commissioners working within your jurisdiction.

2. One of the principal duties of a Trade Commissioner is to answer trade enquiries directed to the development of markets for Indian goods in the area for which he is responsible, and he is required to compile an index of firms of good standing in his area dealing in goods such as India produces or is capable of producing for export. Para-

Para-

Paragraph 11,13,14 and 15 of the "Instructions" to Indian Trade Commissioners" deal more specifically with the object of trade introductions. In the opinion of the Government India these instructions are sufficient in regard to the requests for ordinary trade introductions with which Trade Commissioners have to comply in the course of their normal activities, and they do not consider it necessary that there is any occasion for supplementing them .

3. As regards the proposal that Indian Trade Commissioners, apart from their normal function of putting Indian manufactures in touch with purchasers abroad, should be prepared to assist them in finding agents for the sale of their products- an agent being one who does not purchase for himself but undertakes to find purchasers for a specified period on stated terms- the Government of India consider that this would involve distinctly greater responsibility on the Trade Commissioners than they have been asked to undertake in the past. They do not consider that the Trade Commissioners should be called upon to shoulder such a responsibility except in the case when the request for appointing agents has been made in respect of the sale of produces manufactured by industrial agencies working directly under Provincial Governments. This responsibility should not be assumed for private agencies merely having semi-governmental connections such as Co-operative Sale ---

*Printed in the accompaniment to Government Resolution, Finance Department No. 8248 dated 27th October 1934.

Sale Societies, unless the requisition is made on their made on their behalf by the Provincial Government concerned. There have been precedents for such a couse of action and the Indian Trade Commissioner in London undertook in 1946 and 1930 the appointment of a London agent at the requests made by certain Government Departments. In the case of private firms and persons, the Trade Commissioner should not undertake to appoint agents. There is nothing, however, to prevent them, if the request for appointment of an agent is made by a private manufacturer, from adopting the procedure now followed in regard to ordinary trade enquiries. In such cases, the Trade Commissioner will furnish the manufacturer with a list of names of firms or individuals who appear to him to be suitable for appointment as agents, giving such information as he is able to gather regarding their financial and business standing, but he should accept no responsibility for their appointment and should make it clear that when names are suggested by him it does not imply and gumrantee by him of their good behaviour. The final selection and the terms of appointment must be left to be settled by the party in India by direct communication with the firms or persons suggested by the Trade Commissioner.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- Y.N.Sukthankar,

Joint Secretary to the Government of India.

P.K.M.

MRamidas